

Item: RESO 08-247
Fiscal Impact: \$7,500 Annually
Funding Source: Class C Roads
Account #: 11-7581-40740-00000-00000
Budget Opening Required: Yes

ISSUE:

Approve a three-year lease agreement (Agreement No. C35608) with Wheeler Machinery for a Caterpillar 43E Backhoe/Loader for the Public Works Department.

SYNOPSIS:

This backhoe will replace a 1996 John Deere backhoe.

BACKGROUND:

The City has previously leased heavy equipment from Wheeler Machinery with good results. This program allows the City crews to always have equipment which is less than three years old, which greatly reduces maintenance costs. The City is responsible to maintain, insure, and repair any damages to the leased equipment while in the City's possession. The cost of the lease is also very economical. Essentially the City pays for depreciation of the equipment over the term of the lease.

RECOMMENDATION:

Approval of the three-year lease agreement.

SUBMITTED BY:

Russell B. Willardson, P.E., Public Works Director